

# East Dunbartonshire Council

## Assurance and Improvement Plan

### Update 2012–15

#### Introduction

1. The first Assurance and Improvement Plan (AIP) for East Dunbartonshire Council was published in July 2010. That document set out the planned scrutiny activity for the period from April 2010 to March 2013 based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of the main local government audit and inspection agencies.
2. The aim of the shared risk assessment process was to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. The AIP gave an overview of the information that informed the risk assessment and showed how this links to the proposed scrutiny response.
3. The local area network met again in November 2010 to update the AIP for the period 2011-14. The AIP Update was published in May 2011.
4. This report is the result of the shared risk assessment which began in November 2011. The update process drew on evidence from a number of sources, including:
  - The annual report to the Controller of Audit and elected members for 2010/11 from the council's appointed external auditors.
  - The council's own performance data and self-evaluation evidence.
  - Evidence gathered from Education Scotland, the Care Inspectorate and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).
5. The outcomes of that exercise are contained in this short report which summarises changes to risk assessments and proposed scrutiny responses.

#### Summary

6. The council has been pro-active in identifying improvements through the development of a transformation programme to deliver services more efficiently with reduced staffing and funding. Part of this transformation programme has included the implementation of the new strategic operating model (SOM) which represented a significant change to its operating structure. The SOM has now been concluded and

the council is moving to the next stage of development. In June 2011 it also approved the *East Dunbartonshire Strategic Improvement Plan 2011-14* which identifies the strategic improvement priorities which will support the implementation of the East Dunbartonshire Single Outcome Agreement and underpin its new arrangements for partnership working. A review of progress towards implementation of this Plan will be submitted to the council on a six monthly basis. As part of the Strategic Improvement Plan, an update of the council's Medium-Term Finance & Resources Strategy has been undertaken which sets out management actions to maximise the use of council resources.

7. Although neither the 2010/11 nor the 2011/12 AIP identified any areas of significant scrutiny risk, there continue to be areas of uncertainty and these are reflected in our assessment of organisational culture, ICT and asset management. There are particular areas of uncertainty arising from the council's *Strategic Asset Review – Five Year Investment Plan* which proposes a strategy of short, medium and long term projects which the council hopes will transform its estate into an effective, efficient estate aligned to the council's strategic objectives and delivering best value. The short and medium term projects set out in the Plan include the design of a new operational depot and accommodation centre and the longer term projects consider school estate investment options and hub/accommodation construction works. The LAN's concerns centre around funding issues and the organisational impact associated with the Council accommodation moves and the implementation of "smart" work arrangements. Funding will be critical to the success of these projects and £7.6 million of the funding required for the short and medium term projects is anticipated to derive from capital receipts. In the current economic climate the generation of this amount of capital receipts may be difficult to achieve. Timescales in generating such levels of capital receipts may also be problematic and the council has already experienced delays in previous years in realising capital receipts.
8. Another area of uncertainty relates to the establishment of a leisure trust on 1 April 2011. Council staff have formally transferred to the new Trust and payroll and other services are now provided by the council on its behalf. The council's 2011-12 financial statements will include the transfer of activities to the Trust. There is a risk that financial controls fail to operate as previously designed and implemented following the transfer of operations to the Trust. There is also the risk that financial information is not recorded and monitored appropriately from the point of transfer. External auditors were not appointed until March 2012.

## National risk priorities

9. A number of core national risk priorities will be applied to all 32 councils. These are:
  - **The protection and welfare of vulnerable people (children and adults) including access to opportunities: (Area of uncertainty).** The risks identified by the LAN are being addressed by the council in the action plan included in The Care Inspectorate's report *East Dunbartonshire Council Scrutiny Report* published in November 2011. This report highlighted that the council's social work services were investing considerable time and effort in planning the future delivery of services, taking account of demographic pressures and the need to make savings. The link inspector will continue to monitor the impact of savings on the delivery of social work services. The report also highlighted that

progress was being made with partners in reshaping community care services, particularly in relation to services for older people through the Change Fund, but that these developments were still at an early stage of implementation. It was recommended that social work managers should ensure that commissioning continued to progress for all community care groups.

- **Assuring public money is being used properly: (No significant scrutiny risks).** Assurance on the regularity of expenditure is obtained through the annual audit process. Audit Scotland was appointed as external auditor for the five year period from 2011/12 to 2016/17, the previous external auditor being KPMG. Within the council there are various mechanisms which assist in providing assurance that public funds are not misused. The council has an "Audit and Risk Management Sub-Committee" which acts as its audit committee. This Sub-Committee is supported by an effective internal audit section. The council's resource management arrangements are broadly sound and the LAN has concluded that this will provide the council with an effective platform to assuring that public money is being used properly. Audit Scotland will continue to review action taken by the council as part of the annual audit process.
- **How councils are responding to the challenging financial environment: (Area of uncertainty).** The Comprehensive Spending Review covering public sector expenditure for the period from 2012/13 to 2014/15 was announced in November 2011 which set out resources available to local government. The on-going financial climate will impact on the council's ability to deliver its outcome targets and maintain service performance in the future. A budget savings requirement of £2.424 million for 2012/13 has been identified and saving measures totalling £3.368 million have been approved by the council. The council has undertaken an initial review of financial years 2013/14 and 2014/15 which indicates that further savings of at least £4 million are required in those years. The assumptions included in the council's 2012/13 budget contain a number of risks and uncertainties, eg demographics, demand pressures, energy costs inflation and the achievement of savings and the council has agreed that its uncommitted general fund balance of £2.5 million will be fully maintained. The budget for 2012/13 will cover the first year of the new council following the elections in 2012. As the priorities for the new council are not known, the council considered it inappropriate to produce detailed revenue budget proposals beyond 2012/13. As part of the Strategic Improvement Plan, officers have updated the Medium-Term Finance & Resources Strategy which sets out management actions to maximise the council's use of resources. However, given that the level of funding for the council over the period from 2012/13 to 2014/15 is fixed at around £191 million, the council will face significant pressure over the period of the spending review. The LAN has therefore concluded that this is an area of uncertainty. The latest *General Fund Revenue Budget Monitoring 2011/12* report presented to the Policy & Resources Committee on 22 December 2011 advised that the overall financial position projects a favourable variance of £0.261 million. This report also advised that the council's uncommitted general fund balance was projected to be £3.922 million. No additional scrutiny work is planned but it should be noted that this is a core feature of the existing annual audit process and the external auditor will routinely continue to monitor the financial position of the council.

10. The LAN is committed to maintaining its engagement with the council between now and the next SRA/AIP refresh so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face. A meeting was held on 17 January 2012 between the LAN members and the council's Chief Executive and Corporate Management Team to discuss the updated AIP.

## Areas of unchanged scrutiny risk assessments

11. This update focuses predominantly on those areas assessed as being uncertain or having significant risk. However, in the interests of providing a broader view of the council's overall risk assessment, it is important to highlight those areas that were previously assessed as having no significant risks which, based on additional evidence in the current year, including recent inspection reports, annual audit work, performance reports, national data, continue to be so. These are:

Service Area	Corporate Assessment	Outcomes
Education	Vision and direction	Delivering services for young children
Corporate services	Leadership	Enhancing learning and enterprise
Environmental services	Community engagement	Sustainable and attractive communities
Regulatory services	Governance and accountability	Safer communities
Roads and street lighting	Partnership working and community leadership	
	Customer focus and responsiveness	
	Use of resources – managing people	
	Use of resources - procurement	
	Equalities	
	Sustainability	

12. HM Inspectors have been invited by the council to carry out a validated self –evaluation working with education services. This will lead to a published report. This is not a scrutiny response to any identified risk.

13. The following comments relate to issues where perceived risks in the council's processes and activities remain unchanged since the 2011/12 AIP Update.

Area	Risk Assessment	2011/12 Update
Social Work	Area of uncertainty	<p>The areas of uncertainty have been identified by the Care Inspectorate in its East Dunbartonshire Council Scrutiny report published in November, 2011 and centre around:</p> <ul style="list-style-type: none"> <li>• Partnership – Partnership working was generally good and progress was being made in community care, particularly in relation to the reshaping of services for older people through the Change Fund, although progress was not as quick as had been planned. Commissioning for all community care groups needs to continue to progress. Corporate Parenting was seen as an area for improvement. There were concerns about communication between social work and NHS Mental Health services about people known to both services.</li> <li>• Staffing - The time taken to implement the SOM has had a negative impact on staff morale, slowing down the filling of vacancies in some areas and causing concern among some staff about training, which had been centralised. Senior managers in social work were working to ensure that training continued to be delivered according to the needs of the service. Staff appraisal was still in the early stages of implementation. Criminal justice staff had expressed concern about morale, which was being addressed by senior managers. On the positive side, the co-location of teams had proved largely successful in improving communication, supervision of staff was of good quality and the absence rate was being reduced, while not yet meeting their own targets.</li> <li>• Community Care Services – The initial scrutiny level assessment (ISLA) identified that assessment and care management was better in children's services than in community care. However, in community care, improvements were taking place. Time interval standards had been established and waiting times for assessment compared well with both previous performance and national averages. Community care services had had a particular focus on risk assessment and the risk assessment framework had been revised. The link inspector may be involved in self evaluation activity in relation to file recording.</li> <li>• Criminal Justice - Social work needs to clarify and resolve a situation concerning the lack of review in some criminal justice cases. Senior managers are addressing this.</li> </ul> <p>The Care Inspectorate has also identified the following area which has been given an Amber risk assessment for 2012/13:</p> <ul style="list-style-type: none"> <li>• Older people - Inspection of Care at Home provision is providing information from service users that they are concerned as to the lack of communication with them as to who and how the service will be provided. The Care Inspectorate have been advised that service users are unsure if it is a council employee or a Private Home Care Worker who will be attending to their needs and there are concerns that the times of service delivery can vary greatly.</li> </ul> <p>The Care Inspectorate will continue to monitor these issues.</p>

Area	Risk Assessment	2011/12 Update
Use of resources	Area of Uncertainty	<p>Financial management appears sound overall but the council continues to experience financial pressures and the on-going financial climate will impact on the council's ability to deliver its outcome targets and maintain service performance in the future. Savings measures totalling £3.368 million for 2012/13 have been presented for formal council approval. However as a result of the Scottish Government financial settlement, the level of savings required are significantly less than had been anticipated when the 2011/12 budget was being considered. The council has undertaken an initial review of financial years 2013/14 and 2014/15 which indicates that further savings of at least £4 million are required in those years. Previous savings estimates had been £11.1 million and £21.4 million for 2013/14 and 2014/15 respectively.</p> <p>The LAN will monitor this area through routine external audit activity.</p>

## Changes to 2011/12 risk assessments

14. The following table relates to risk assessments that have been changed from the 2011/12 AIP Update.

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
Investing in improvement	Area of Uncertainty	No significant scrutiny risk	<p>The Strategic Operating Model (SOM) has now been implemented which has represented a significant change programme and the new structure will require time to fully imbed. Delivery of the revised SOM resulted in a significant number of surplus posts and the council undertook voluntary severance trawls during 2010/11. The council will need to monitor the impact of the SOM on internal controls.</p> <p>Performance reports have been produced throughout the period of implementation. A final consolidated performance report is being presented to council in March 2012. This report will outline the next stage of development.</p>
Cultural Services	No significant scrutiny risk	Area of Uncertainty	<p>A leisure trust was established on 1 April 2011. Council staff have formally transferred to the new Trust and payroll and other services are now provided by the Council on its behalf. There is a risk that financial controls fail to operate as previously designed and implemented by the council following the transfer of operations to the Trust. There is also the risk that financial information is not recorded and monitored appropriately from the point of transfer. It has also been noted that external auditors were not appointed until March 2012.</p> <p>The position will be monitored by Audit Scotland, as part of its annual audit activity.</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
<b>Housing</b>	Area of Uncertainty	No significant scrutiny risk	<p>The two specific areas of uncertainty identified in the 2011/12 AIP Update are:</p> <ul style="list-style-type: none"> <li>• SHQS and investment – The Scottish Housing Regulator has advised that 95% of the stock condition survey has been undertaken which should give the council a good understanding of the work required to meet SHQS and general investment. The council is projecting full compliance with the SHQS although it is anticipating 14% exemptions.</li> <li>• Homelessness – The Scottish Housing Regulator has advised that 87% of homelessness applicants have priority assessment and this is a positive direction in relation to meeting the 2012 requirements.</li> </ul>
<b>Improving health and wellbeing</b>	Area of Uncertainty	No significant scrutiny risk	<p>Overall this outcome area presents a relatively positive picture of performance. All ill health and injury indicators in the East Dunbartonshire CHP are significantly better (ie lower) than the Scotland average with the exception of new cancer registrations which are in line with the Scottish average. Mental health indicators in the CHP are also significantly better (ie lower) than the Scottish average.</p> <p>Life expectancy for both men and women is the highest in Scotland.</p> <p>There is an increase in the age profile of the population. An increasing older population will require that an increased volume of health and social care services are provided.</p>
<b>Performance management and challenge and improvement</b>	Area of Uncertainty	No significant scrutiny risk	<p>“The East Dunbartonshire Strategic Improvement Plan 2011- 2014” was approved by the Council on 30 June 2011. The Plan identifies the strategic improvement priorities which will support the implementation of the East Dunbartonshire Single Outcome Agreement and underpin its new arrangements for partnership working. The Strategic Improvement Plan is aimed at improving public service delivery in the area through more effective partnership working.</p> <p>As agreed by Council in March 2011, partnership contributions to outcome delivery are consolidated through the Council’s performance management framework and incorporated in the relevant Business and Improvement Plan and How Good is Our Service reviews for quarterly reporting to Strategic Committees, Scrutiny Panels and Community Planning Executive Group.</p> <p>The council will need to ensure that they maintain robust performance management arrangements during the next phase of the transformation programme.</p> <p>Self evaluation of council and partnership performance in relation to the Commission on Future</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<p>Delivery of Public Services priorities was reported to the council in September 2011 and to the Community Planning Partnership Board in November 2011. Some examples of improvement actions are:</p> <ul style="list-style-type: none"> <li>• Through the Stakeholder Engagement programme, the council and CPP partners are engaging with local people and communities to identify options for future public service delivery.</li> <li>• At operational level, services and partners need to work together and obtain feedback from users on performance at point of contact to support the achievement of continuous improvement.</li> </ul> <p>The council have approved that the self evaluation findings are incorporated into its Strategic and Improvement Plan 2011-14 to ensure that monitoring of these improvement actions will take place.</p>
<b>Organisational culture</b>	No significant scrutiny risk	Area of Uncertainty	<p>The LAN agreed that the Risk Assessment should be changed to Amber to reflect the uncertainties associated with the council accommodation moves and the implementation of “smart” working arrangements. The council recognises the potential impact the move to “smart” working arrangements will have for employees. A project team has been established and workshops have been arranged provide support through the change process. The LAN considers that there is risk that the move may impact adversely on service delivery, staff working arrangements and morale.</p> <p>The position will be monitored by Audit Scotland as part of the annual audit process.</p>
<b>Planning and resource alignment</b>	N/A	Area of Uncertainty	<p>(Note that this was not assessed as a standalone area in 2011/12)</p> <p>The Medium Term Finance and Resources Strategy (MTFRS) is the Council’s financial planning process and was approved in August 2009. This strategy has key linkages with a number of processes to integrate its strategic planning and resources management.</p> <p>The latest update of this financial model was presented to Council in February 2011 for 2011/12 to 2013/14. A follow up to this strategy was presented to the meeting of Council on 15 March 2012.</p> <p>The MTFRS sets out the way the Council integrates long term Financial, Asset and Workforce plans in such a way which is consistent with best practice and provides a strategic framework for corporate management arrangements.</p> <p>The “Strategic and Improvement Plan – Review of Implementation” presented to the Council meeting on 24 November 2011 confirmed that in order to make the best use of resources the Council’s finance, ICT, assets and its workforce are aligned strategically to deliver the outcomes of the Single Outcome</p>



Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<p>Agreement. Work has taken place to develop the Council's medium term financial planning and resources strategy which consolidates asset management and workforce planning arrangements to support the delivery of local outcomes.</p> <p>A revised MTFRS has been developed and was presented to the Council on 15 March 2012.</p> <p>The council is clearly making significant progress in this area but the LAN considered that the "Uncertainty" Risk Assessment was appropriate while the implications of these developments emerge. Progress in this area will be monitored through the annual audit process.</p>
<b>ICT</b>	No significant scrutiny risk	Area of Uncertainty	<p>The council is planning to move out of its Tom Johnston House HQ by August 2012. The move will involve ICT staff relocating to Broomhill and relocating the council's main data centre to a new purpose built facility within William Patrick Library. This is a challenging timescale.</p> <p>Resourcing the planned relocation project will place pressures on the department's "normal duties" and may result in their ability to deliver ICT projects.</p> <p>Recently the council's information security officer left and no replacement has been appointed. The responsibilities of this post have been divided up between existing staff which may reduce the council's effectiveness in this vital area. The Council's Information Strategy approved in September 2011 does however set out the accountabilities for the relevant Heads of Service in relation to information management policies and procedures.</p> <p>These issues will be further considered as part of a computer services review to be undertaken by Audit Scotland towards the end of May 2012.</p>
<b>Asset Management</b>	No significant scrutiny risk	Area of Uncertainty	<p>The council's "Strategic Asset Review – Five year Investment Plan" proposes a strategy of short, medium and long term projects which the council hopes will transform its estate into an effective, efficient estate aligned to its strategic objectives and delivering best value. The short and medium term projects include the design of a new operational depot and accommodation centre and the longer term projects consider school estate investment options and hub/accommodation construction works. The LAN's concerns centre around funding issues and the organisational cultural impact associated with move of staff from Tom Johnston to the new civic and corporate headquarters. Funding will be critical to the success of these projects and £7.6 million of the funding required for the short and medium term projects is anticipated to derive from capital receipts. In the current economic climate the generation of this amount of capital receipts may be difficult to achieve. Timescales in generating such levels of capital</p>

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
			<p>receipts may also be problematic and the council has already experienced delays in previous years in realising capital receipts. The council's CMT advised at a meeting with the LAN that generating capital receipts may be problematic. They also confirmed that they would consider bridging any future funding gaps caused by delays in achieving capital receipts through utilising the capital fund and short term borrowing.</p> <p>The position will be monitored by Audit Scotland as part of the annual audit.</p>
<b>Risk management</b>	N/A	Area of Uncertainty	<p>(Note that this was not assessed as a standalone area in 2011/12)</p> <p>A new Corporate Risk Advisor commenced employment with the council on 23 January 2012. This post had been vacant since July 2011. The Corporate Risk Register requires to be updated which will be one of this officer's first tasks. This officer will also assist with the review of the council's Corporate Risk Strategy.</p> <p>All corporate risks are monitored on an on-going basis through the council's Covalent Performance Management system. Progress in these areas is then considered by the Audit and Risk Management Sub-Committee.</p> <p>The LAN considered that the "Uncertainty" Risk Assessment was appropriate as these processes develop and progress in this area will be monitored as part of the annual audit.</p>

## Review of 2011/12 scrutiny activity

15. Following completion of an initial scrutiny assessment (ISLA), the Care Inspectorate completed follow-up scrutiny in May 2011 and its report was published in November 2011. The Care Inspectorate found no areas of significant risk in East Dunbartonshire. Based on the evidence available, social work services attained positive findings in five of the nine areas that were assessed and the remaining four areas were assessed as low risk. A comprehensive action plan to address remaining issues is being implemented.
16. The Scottish Housing Regulator undertook onsite work with the council on homelessness and SHQS compliance. The positive findings from this review have resulted in the risk assessment for 2012/13 being upgraded to "No significant risk".
17. An audit of housing and council tax benefit was scheduled to take place in 2012/13 but the work has been carried out in September 2011. A previous risk assessment had identified 24 risks to continuous improvement. Of the 24 risks identified, 13 actions had been fully completed with 11 actions on-going. In addressing, or partially addressing these risks, the council has made a positive contribution to the delivery

of the benefits service. However although the council demonstrates awareness of what constitutes an effective, efficient and secure benefits service, a number of risks remain outstanding. There has also been a recent significant decline in claims processing performance. One consequence of the implementation of the council's SOM has been a reduction in staffing levels and the benefits service lost two of its most experienced benefits processors between April and June 2011, which coincides with the decline in claims processing performance. In response to the Risk assessment report, the council has made proposals to reduce the risks identified. Audit Scotland has noted that the council's speed of processing performance is not yet on target and has requested an update on performance for both 2011/12 and for quarter one of 2012/13, by 31 July 2012. We have also requested an update by 31 July of progress in relation to the proposed use of a shared service arrangement with Stirling Council to deliver further improvements. If performance proves to be satisfactory, progress of the council's action plan will be reviewed during the next round of risk assessments within the next eighteen to twenty four months.

18. The Audit Scotland review of the Police service in Strathclyde was published in July 2011 and its review of Fire and Rescue services in Strathclyde was published early in March 2012. There are no issues emerging from either of these reviews impacting directly on East Dunbartonshire Council.

## Scrutiny plan changes

19. The scrutiny activity agreed for 2012/13 relates to a follow up review by Audit Scotland of Maintaining Scotland's Roads which will be completed by August 2012 and Education Scotland has been invited by the Council to carry out a validated self-evaluation review to be undertaken in April 2012.
20. At the request of Scottish Ministers the Care Inspectorate will lead a Joint Inspection of Children's Services in each local authority area in Scotland. These inspections will commence in 2012/13 and start with a development site in April/May 2012 and commence a cycle of inspection of services for children which will report publicly from Autumn 2012. This council has been selected for inspection in April 2012.
21. The LAN agreed that no further scrutiny activity is required over the three year period.

## Scrutiny plans

Scrutiny activity in the shaded rows does not result from the shared risk assessment but is either at the request of the council, eg supported self evaluation work or national activity eg national follow up work or work requested by Ministers.

EAST DUNBARTONSHIRE COUNCIL		2012-13											
Scrutiny activity year 1		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Validated self evaluation – Education Scotland													
Children’s Services Inspection													
Follow up review of Maintaining Scotland’s roads – Audit Scotland													
		2013-14											
Scrutiny activity year 2		Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
		2014-15											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved												

### Footnotes

- The focus of the AIP Update is **strategic scrutiny activity**, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level on-going throughout the period of the AIP. This will include, for example, school and residential home inspections.
- During the 2012-13, The Care Inspectorate will pilot a **new children’s services inspection** on behalf of Scottish ministers. Pilot sites will be identified by April 2012 and will be confirmed with the LAN lead in due course.
- In addition, Audit Scotland will be working with scrutiny partners to pilot an approach to assessing the **delivery of outcomes by community planning partnerships**. Pilot sites will be confirmed with the LAN lead in due course.
- Audit Scotland undertake an annual rolling programme of **thematic performance audits**. The fieldwork sites are identified as part of the development of the scope for each individual audit. Fieldwork sites will be confirmed with LAN leads as each audit is developed

- The **annual audit** of local government also comprises part of the baseline activity for all councils. In April 2008, the Accounts Commission agreed to a request from the Department for Work and Pensions (DWP) to take over the Benefit Fraud Inspectorate's responsibility for inspecting housing and council tax benefit (benefits) services in Scotland. As Audit Scotland has no inspection function, this "**benefits performance audit**" work has been incorporated into the annual audit of local government. The exact timing of the audits will be confirmed through the LAN lead.
- **Education Scotland**, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate the **Care Inspectorate** will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.
- Scrutiny bodies also reserve the right to make unannounced scrutiny visits.